



Enghouse Releases Second Quarter Results

FOR IMMEDIATE RELEASE

Markham, Ontario – (June 6, 2012) – Enghouse Systems Limited (TSX:ESL) today announced its unaudited second quarter financial results for the period ended April 30, 2012.

The Company posted solid second quarter results despite ongoing turbulence in global markets. Second quarter revenue was \$31.5 million, compared to \$30.3 million in the second quarter last year. Results from operating activities for the quarter were \$7.6 million compared to \$4.9 million in the prior year's second quarter, an increase of 53%. Net income for the second quarter increased by 100% to \$4.2 million or \$0.16 per share on a diluted basis compared to the prior year's second quarter net income of \$2.1 million or \$0.08 per share. The increase in revenue continues to reflect incremental revenue contributions from acquisitions. Revenue also reflects hosted and maintenance services contributions of \$16.0 million in the quarter, an increase of 16% over last year, largely as a result of incremental hosted revenue contributions from recently acquired CustomCall Data Systems Inc. Hosted and maintenance revenue now accounts for over 50% of the Company's total revenue. On a year to date basis, revenue was \$62.0 million up from \$58.9 million, while net income increased from \$5.1 million to \$8.2 million or \$0.32 per diluted share.

Operating expenses decreased to \$15.7 million from \$15.8 million in the prior year's second quarter, which included restructuring expenses related to the CosmoCom acquisition on April 1, 2011. The current quarter's operating expenses include incremental operating costs related to the acquisition of CustomCall on March 1, 2012 and a full quarter of CosmoCom's operating costs. Non-cash amortization charges were \$2.4 million and reflect amortization of acquired software and customer relationships from acquisitions.

The Company closed the quarter with over \$100 million in cash, cash equivalents and short-term investments, which is after the payment of approximately \$6.6 million related to the acquisition of CustomCall and its office facility. Enghouse continues to have no long-term debt and did not repurchase any shares in the quarter.

The Board of Directors also announced today an eligible quarterly dividend of \$0.065 per common share, payable on August 31, 2012 to shareholders of record at the close of business on August 17, 2012.

On June 1, 2012, Enghouse acquired Zeacom Group Ltd., a leading provider of multi-channel contact center communications solutions for a cash purchase price of approximately U.S. \$30.6 million. Headquartered in Auckland, New Zealand, with offices in Australia, the UK and the US, Zeacom's leading edge contact center software and business process automation solutions have been installed in over 3,500 customer sites worldwide. The acquisition of Zeacom expands Enghouse's global market reach and product suite. The Company continues to seek further acquisitions to continue to grow its market share globally.

About Enghouse

Enghouse Systems Limited is a leading global provider of enterprise software solutions serving a variety of distinct vertical markets. Its strategy is to build a larger and more diverse software company through strategic acquisitions and managed growth. Enghouse shares are listed on the Toronto Stock Exchange under the symbol **ESL**. Further information about Enghouse may be obtained from the Company's web site at www.enghouse.com.

Non-IFRS Measures

The Company uses non-IFRS measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses results from operating activities as a measure of operating performance. Therefore, results from operating activities may not be comparable to similar measures presented by other issuers. Results from operating activities are calculated as net income before amortization of acquired software and customer relationships, finance income, finance expenses, other income, and the provision for income taxes. Management uses results from operating activities to evaluate operating performance as it excludes amortization of software and intangibles which is an accounting allocation of the cost of software and intangible assets arising on acquisition, and does not represent the allocation of the cost of an asset that must be replaced as is the case with depreciation of property and equipment.

- 30 -

For further information please contact:

Kevin Derbyshire
Chief Corporate Officer
Enghouse Systems Limited
Tel: (905) 946-3238
Email: investor@enghouse.com

Enghouse Systems Limited

Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)

(Unaudited)

	April 30, 2012	October 31, 2011	November 1, 2010
Assets			
Current assets:			
Cash and cash equivalents	\$ 56,387	\$ 65,624	\$ 46,640
Short-term investments	44,016	33,967	31,627
Accounts receivable, net	28,438	23,006	24,500
Income tax receivable	-	-	591
Prepaid expenses and other assets	3,964	3,479	3,360
	132,805	126,076	106,718
Non-current assets:			
Property, plant and equipment	2,773	1,543	1,588
Acquired software and customer relationships	28,710	29,709	34,330
Goodwill	47,213	43,734	35,137
Deferred income taxes	11,460	11,138	3,478
	89,956	86,124	74,533
Total assets	\$ 222,961	\$ 212,200	\$ 181,251
Liabilities			
Current liabilities:			
Trade payables	\$ 18,542	\$ 22,686	\$ 18,808
Income taxes payable	3,397	2,878	-
Dividends payable	1,664	1,267	1,007
Accrued provisions	1,921	2,442	1,307
Deferred revenue	36,360	28,933	26,040
	61,884	58,206	47,162
Non-current liabilities:			
Deferred income tax liabilities	12,741	10,743	12,571
Long-term income taxes payable	220	420	522
Deferred revenue	1,241	1,404	790
Total liabilities	76,086	70,773	61,045
Shareholders' Equity			
Share capital	54,532	52,134	50,705
Contributed surplus	2,734	2,970	2,653
Retained earnings	90,589	85,288	66,546
Accumulated other comprehensive (loss) gain	(980)	1,035	302
Total equity	146,875	141,427	120,206
Total liabilities and equity	\$ 222,961	\$ 212,200	\$ 181,251

Enghouse Systems Limited

Consolidated Interim Statements of Operations and Comprehensive Income (loss)

(in thousands of Canadian dollars, except per share amounts)
(Unaudited)

	Three months ended April 30		Six months ended April 30	
	2012	2011	2012	2011
Revenue				
Software licenses	\$ 10,630	\$ 11,752	\$ 21,148	\$ 22,463
Hosted and maintenance services	16,040	13,862	32,019	27,154
Professional services	4,406	3,569	8,146	7,413
Hardware	380	1,151	676	1,873
	31,456	30,334	61,989	58,903
Direct costs				
Software licenses	866	1,973	1,775	3,530
Services	7,086	6,765	13,982	13,080
Hardware	278	852	484	1,412
	8,230	9,590	16,241	18,022
Revenue, net of direct costs	23,226	20,744	45,748	40,881
Operating expenses				
Selling, general and administrative	9,976	11,658	19,837	21,062
Research and development	5,401	3,873	10,204	7,739
Depreciation of property, plant and equipment	287	281	565	556
	15,664	15,812	30,606	29,357
Results from operating activities	7,562	4,932	15,142	11,524
Amortization of acquired software and customer relationships	(2,383)	(2,494)	(4,821)	(4,934)
Finance income	261	126	504	264
Finance expenses	(70)	(45)	(111)	(98)
Other income	157	76	155	71
	5,527	2,595	10,869	6,827
Income before income taxes	5,527	2,595	10,869	6,827
Provision for income taxes	1,347	504	2,629	1,684
Net income for the period	\$ 4,180	\$ 2,091	\$ 8,240	\$ 5,143
Foreign currency translation differences from foreign operations	(709)	(2,504)	(1,291)	(3,154)
Transfer to net income of realized gains on available for sale investments, net of tax of (\$24); six months . (\$24)	(132)	(89)	(132)	(91)
Unrealized gain (loss) on available for sale investments, net of tax of \$3; six months . (\$112)	14	461	(600)	481
Unrealized foreign currency translation (loss) gain on available for sale investments, net of tax of \$nil; six months - \$1	-	(52)	8	(73)
Other comprehensive loss	(827)	(2,184)	(2,015)	(2,837)
Comprehensive income (loss)	\$ 3,353	\$ (93)	\$ 6,225	\$ 2,306
Earnings per share				
Basic	\$ 0.16	\$ 0.08	\$ 0.32	\$ 0.20
Diluted	\$ 0.16	\$ 0.08	\$ 0.32	\$ 0.20

Enghouse Systems Limited

Consolidated Interim Statements of Changes in Equity

(in thousands of Canadian dollars)

(Unaudited)

	Share Capital -number	Share capital \$	Contributed surplus \$	Accumulated other comprehensive income \$	Retained earnings \$	Total \$
Balance – November 1, 2011	25,337,262	52,134	2,970	1,035	85,288	141,427
Net income	-	-	-	-	8,240	8,240
Other Comprehensive Income (net of tax):						
Cumulative Translation Adjustment	-	-	-	(1,291)	-	(1,291)
Transfer to net income of realized gains on available-for-sale investments, net of tax	-	-	-	(132)	-	(132)
Unrealized gain (loss) on available-for-sale investments, net of tax	-	-	-	(600)	-	(600)
Unrealized foreign currency translation gain (loss) on available-for-sale investments, net of tax	-	-	-	8	-	8
Comprehensive income (loss) for the period	-	-	-	(2,015)	8,240	6,225
Employee share options:						
Value of services recognized	-	-	286	-	-	286
Proceeds on issuing shares	268,300	2,398	(522)	-	-	1,876
Purchase and cancellation of commons shares	-	-	-	-	-	-
Dividends	-	-	-	-	(2,939)	(2,939)
Balance – April 30, 2012	25,605,562	54,532	2,734	(980)	90,589	146,875
Balance – November 1, 2010	25,171,662	50,705	2,653	302	66,546	120,206
Net income	-	-	-	-	5,143	5,143
Other Comprehensive Income (net of tax):						
Cumulative Translation Adjustment	-	-	-	(3,154)	-	(3,154)
Transfer to net income of realized gains on available-for-sale investments, net of tax	-	-	-	(91)	-	(91)
Unrealized gain (loss) on available-for-sale investments, net of tax	-	-	-	481	-	481
Unrealized foreign currency translation gain (loss) on available-for-sale investments, net of tax	-	-	-	(73)	-	(73)
Comprehensive income (loss) for the period	-	-	-	(2,837)	5,143	2,306
Employee share options:						
Value of services recognized	-	-	325	-	-	325
Proceeds on issuing shares	28,000	140	-	-	-	140
Purchase and cancellation of commons shares	(4,800)	(10)	-	-	(33)	(43)
Dividends	-	-	-	-	(2,267)	(2,267)
Balance – April 30, 2011	25,194,862	50,835	2,978	(2,535)	69,389	120,667

Enghouse Systems Limited

Consolidated Interim Statements of Cash Flows

(in thousands of Canadian dollars)

(Unaudited)

	Three months ended April 30		Six months ended April 30	
	2012	2011	2012	2011
Cash flows from operating activities				
Net income	\$ 4,180	\$ 2,091	\$ 8,240	\$ 5,143
Adjustments for:				
Depreciation of property, plant and equipment	287	281	565	556
Amortization of acquired software and customer relationships	2,383	2,494	4,821	4,934
Stock-based compensation expense	120	154	286	325
Deferred income tax expense	93	(47)	296	(172)
Finance expenses and other income	(87)	(31)	(44)	27
Income tax paid	(1,295)	(617)	(1,828)	(943)
	5,681	4,325	12,336	9,870
Changes in non-cash operating working capital	1,740	5,797	(2,133)	9,924
Net cash flows from operating activities	7,421	10,122	10,203	19,794
Cash flows from investing activities				
Purchase of property, plant and equipment, net	(1,178)	(264)	(1,669)	(440)
Finance income	(261)	(126)	(504)	(264)
Acquisitions, net of cash acquired	(5,802)	(14,198)	(5,802)	(15,768)
Net (purchase) proceeds from sale of short-term investments	(9,583)	(1,791)	(10,559)	10,652
Net cash flows from investing activities	(16,824)	(16,379)	(18,534)	(5,820)
Cash flows from financing activities				
Issuance of share capital	749	140	1,876	140
Payment of cash dividend	(1,275)	(1,007)	(2,542)	(2,014)
Purchase and cancellation of common shares	-	(43)	-	(43)
Net cash flows used in financing activities	(526)	(910)	(666)	(1,917)
Effect of currency translation adjustments on cash and cash equivalents	(655)	(2,574)	(240)	(3,311)
Net increase in cash and cash equivalents during the period	(10,584)	(9,741)	(9,237)	7,866
Cash and cash equivalents- beginning of period	66,971	64,247	65,624	46,640
Cash and cash equivalents - end of period	\$ 56,387	\$ 54,506	\$ 56,387	\$ 54,506

Enghouse Systems Limited
Selected Segment Reporting Information

(in thousands of Canadian dollars)

(Unaudited)

	For the three months ended		For the six months ended	
	April 30		April 30	
	2012	2011	2012	2011
Revenue:				
Asset Management Group	\$ 3,723	\$ 3,520	\$ 6,794	\$ 6,589
Interactive Management Group	27,733	26,814	55,195	52,314
Total	\$ 31,456	\$ 30,334	\$ 61,989	\$ 58,903
Segment Profit (EBIT):				
Asset Management Group	\$ 193	\$ 420	\$ 902	\$ 1,002
Interactive Management Group	5,768	2,753	11,047	7,215
Corporate expenses	(782)	(735)	(1,628)	(1,627)
Finance income	261	126	504	264
Finance expenses	(70)	(45)	(111)	(98)
Other income (expense)	157	76	155	71
Total	\$ 5,527	\$ 2,595	\$ 10,869	\$ 6,827